

be the main determinative feature of public management, it must be oriented to public service.

- In conclusion, modern doctrine of administrative law some emphasis in public-administrative relations are replaced in favor of needs and interest of an ordinary person, whose legal status significantly increases.

- Additionally, the theory of public administration is implemented in modern legal system as methodological basis of the administrative law. Today scientific understanding and further operation on the theory of public administration are the basic directions in innovation of administrative law of Ukraine, an important ground its transformation into modern branch of European law.

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### LEGAL PROTECTION OF THE SUBSOIL

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A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction.

The subsoil is a layer of earth beneath the topsoil (or bottom of the water reservoirs) containing mineral resources and accessible for geological survey, exploration and production. Legal entities and individuals may be granted special permits for subsoil use (the “special permits”) which entitle their holders to carry out exploration and production of the mineral resources within the established boundaries of the subsoil plot.

The subsoil is the exclusive property of the people of Ukraine and are provided only for use. Users of the subsoil can be enterprises, institutions, organizations, citizens of Ukraine and foreigners and stateless persons, foreign legal entities.

Types of royalty of subsoil are in use for:

- Geological study, including research and industrial development of mineral deposits of national importance
- Mining
- Construction and operation of underground structures not related to mining operations, including facilities for underground storage of petroleum, gas and other substances and materials, disposal of hazardous substances and wastes, sewage discharge
- Establishment of geological sites and objects, which have important scientific, cultural, health and environmental protection value (scientific grounds, geological reserves, game reserves, nature monuments, medical recreational facilities, etc...)
- Implementation of works provided production-sharing agreement;
- other needs.

The principal legislative acts governing mining activities in Ukraine are:

- (1) the Code of Ukraine on the Subsoil (the “Subsoil Code”);
- (2) the Law of Ukraine “On Production Sharing Agreements” dated 14 September 1999 (the “PSA Law”);
- (3) the Mining Law of Ukraine (the “Mining Law”) dated 6 October 1999;
- (4) the Law of Ukraine “On the State Geological Service of Ukraine” dated 4 November 1999;
- (5) Resolution No. 615 of the Cabinet of Ministers of Ukraine (“CMU”) “On Approval of the Procedure for Issuance of the Special Permits for Subsoil Use” dated 30 May 2011; and
- (6) the CMU Resolution No. 594 “On Approval of the Procedure for Holding Auctions for the Sale of the Special Permits for Subsoil Use” dated 30 May 2011.

The mineral resources are classified in two groups: (1) those of State importance (for example oil, gas, coal, metallic ores, etc.); and (2) those of local importance (for example gypsum, chalk stone, sand, etc.), according to the CMU Resolution No. 827 dated 12 December 1994. The deposits are also classified as those containing: (1) non-significant reserves; and (2) significant reserves, according to the quantitative criteria established by the CMU Resolution No. 1257 dated 11 August 2000.

Competence of the main State authorities:

- (1) the Verkhovna Rada, the Parliament of Ukraine – which passes primary legislation;
- (2) the Cabinet of Ministers of Ukraine (“CMU”) – which passes secondary legislation implementing the primary legislation;
- (3) the Ministry of Energy and Coal Industry – which is responsible for State policy in the mining sector;
- (4) the State Service for Mining Supervision and Industrial Safety of Ukraine (the “State Service for Industrial Safety”) – which is responsible for State policy in the sphere of the industrial safety and labour protection;
- (5) the Ministry for Ecology and Natural Resources – which is responsible for

the State environmental policy and supervision with respect to the rational use of the mineral resources; and

(6) the State Service for Geology and Subsoil of Ukraine (the “State Geology Service”) – which issues special permits to subsoil users.

### **Conclusion**

The future of Ukraine is closely linked with environmental safety which is the most important component of national security. There is need to create a legal mechanism by which damage to subsoil, overuse of mineral resources would be unprofitable for subsoil users. We have a goal to improve the mechanism for the implementation of environmental legislation. In order to improve that mechanism we need to financially encourage perfect use of mineral resources, increase legal responsibility for their failure or violation, establish a system of ecological education.

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## **LEGAL FRAMEWORK OF FINANCIAL CONTROL**

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The concept and establishment of audit is inherent in public financial administration as the management of public funds represents a trust. Audit is not an end in itself but an indispensable part of a regulatory system whose aim is to reveal deviations from accepted standards and violations of the principles of legality, efficiency, effectiveness and economy of financial management early enough to make it possible to take corrective action in individual cases, to make those accountable accept responsibility, to obtain compensation, or to take steps to prevent or at least render more difficult – such breaches.

One of elements of the legal state, basic principles of construction which is incorporated in the Constitution of Ukraine, acting State Control, part of which is financial control. Qualitative transformation taking place in Ukraine, require substantial financial resources that ensure the full and timely implementation of tasks and functions of the state. Plenitude and timeliness of receipt of monetary resources in state funds, the observances of current legislation during their distribution and use depend on organization and realization of financial control.

Nowadays in Ukraine under the current conditions of market economy